

1-1-1965

Trade Regulation—Lanham Trade-Mark Act—Right to Registration for Bottle Configuration on Principal Register During Life of Design Patent.--Application of Mogen David Wine Corp

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Recommended Citation

James P. Dohoney, *Trade Regulation—Lanham Trade-Mark Act—Right to Registration for Bottle Configuration on Principal Register During Life of Design Patent.--Application of Mogen David Wine Corp*, 6 B.C.L. Rev. 380 (1965), <http://lawdigitalcommons.bc.edu/bclr/vol6/iss2/24>

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mission agreements were not necessarily illegal unless they constituted unfair competition.²⁶ In each case, then, the unfairness must be shown.

The *Texaco* view is more in accord with the traditional curbs placed on the injunctive power of the FTC. The order should not be any broader than is necessary to prohibit similar illegal acts in the future,²⁷ nor should its enforcement forbid methods of competition that do not unfairly restrain trade.²⁸ Rather, it should be effective at the level at which the restraint takes place. As Justice Frankfurter, dissenting in *International Salt Co. v. United States*,²⁹ said concerning the rule of *FTC v. Royal Milling Co.*³⁰ and *Jacob Siegel Co. v. FTC*,³¹

[T]he law . . . respects the wisdom of not burning even part of a house in order to roast a pig. . . . The Government is not entitled to a provision in the decree which can be justified only on some indication . . . that appellant's past shows a devious temper which needs to be hobbled by withdrawing a conceded legal right.³²

The Commission, in fact, in two recent cases,³³ agreed to consent orders which ordered a franchisor to cease coercing his dealers to carry a sponsored product but did not outlaw the franchisor's sales commission plan.

In conclusion, the *Texaco* court refuses to use economic power to prospectively prohibit all future sales commission agreements between the TBA supplier and any gasoline company, as the *Goodyear* court did. These restraints placed by *Texaco* on the prohibitive scope of the FTC's decrees are more in agreement with the traditional views of that agency's powers. The *Goodyear* decision, in so far as it restrains Goodyear from any further competition for sales commission agreements, may be a more serious restraint of trade than the sales commission system it was intended to eliminate.

GEORGE M. DOHERTY

Trade Regulation—Lanham Trade-Mark Act—Right to Registration for Bottle Configuration on Principal Register During Life of Design Patent.—Application of Mogen David Wine Corp.¹—Mogen David Wine Corporation was the holder of a design patent on a bottle configuration and applied for trademark registration of the configuration on the principal

²⁶ Ibid.

²⁷ See *FTC v. Royal Milling Co.*, 288 U.S. 212 (1933); *Swanee Paper Corp. v. FTC*, 291 F.2d 833 (2d Cir. 1961); *Virginia Excelsior Mills, Inc. v. FTC*, 256 F.2d 538 (4th Cir. 1958).

²⁸ *FTC v. Cement Institute*, supra note 10, at 727.

²⁹ Supra note 4.

³⁰ Supra note 27.

³¹ 327 U.S. 608 (1946).

³² *International Salt Co. v. United States*, supra note 4, at 403, 405.

³³ *O.K. Rubber Welders, Inc. and the B. F. Goodrich Co.*, 1964 FTC Complaints, Orders, Stipulations ¶ 16953 (July 3, 1964) at 22014; *Kaiser Jeep Corp.*, 1964 FTC Complaints, Orders, Stipulations ¶ 16891 (April 27, 1964) at 21927.

¹ 51 C.C.P.A. (Patents) 4, 328 F.2d 925 (1964).

CASE NOTES

register. For a period of some thirty years Mogen David had sold large quantities of wine in decanters identical or closely similar to the configuration for which registration was sought and had advertised its wine in such decanter bottles on television, on billboards, in magazines, and through other media. Affidavits from retailers and dealers were presented to the effect that these dealers were familiar with various wines, and that they associated wines sold in this decanter only with the Mogen David Corporation. The examiner refused registration on the factual ground that the container did not function as a trademark. The Trademark Trial and Appeal Board sustained the refusal of registration, concluding that issuance of the registration would be prejudicial to the interests of others who would have the right to make use of the patented design at the expiration of the patent.² The Board declared registration permissible on the supplemental register but precluded registration as a matter of law on the principal register during the life of the design patent. Mogen David appealed this ruling to the Court of Customs and Patent Appeals. HELD: Applicant is not precluded from obtaining registration on the principal register during the life of the design patent. The case was remanded to the Board for a determination of whether the evidence sustained the contention that applicant's bottle design did in fact function as a trademark.

The court based its decision on the fundamental distinction between trademark and patent protection. The purpose of a design patent is to grant the exclusive use of a decorative, non-functional design to the owner of the patent; while the purpose of trademark protection is to protect property rights of the applicant in non-functional, decorative features which indicate origin of the goods in the applicant. The court also cited prior cases that gave common law trademark protection on the basis of unfair competition where the plaintiff held a design patent.³ The court finally pointed out that if Mogen David had secured trademark protection first, it would have had no difficulty in subsequently obtaining a design patent.

Whether the court would allow principal registration for the subject of a design patent was a matter of some speculation. An examination of the case law in the area, however, will reveal that there has been a general trend favoring the granting of such registration. One of the earliest and most important cases in the field is *Singer Mfg. Co. v. June Mfg. Co.*⁴ This case involved the use by the defendant of certain sewing machine parts and insignia that had originally been used and patented by Singer. The court ruled that on expiration of the patent the public had a right to manufacture the article in the same form in which it was made under the patent. This ruling has been reaffirmed often.⁵ Moreover, it has been the basis of a

² Application of Mogen David Wine Corp., 134 U.S.P.Q. 576 (T.T.A.B. 1963).

³ *Lucien Lelong, Inc. v. George W. Button Corp.*, 50 F. Supp. 708 (S.D.N.Y. 1943); *Prince Matchabelli Inc. v. Anhalt & Co.*, 40 F. Supp. 848 (S.D.N.Y. 1941); *Oneida, Ltd. v. National Silver Co.*, 25 N.Y.S.2d 271 (Sup. Ct. 1940).

⁴ 163 U.S. 169 (1896).

⁵ *Kellogg Co. v. National Biscuit Co.*, 305 U.S. 111 (1938); *Allen v. Walton Wood & Metal Co.*, 178 Fed. 287 (N.D.N.Y. 1910). See 1 Nims, *The Law of Unfair Competition and Trade-marks* § 139 (4th ed. 1947).

strong intimation that the subject of a design patent could not be registered as a trademark.⁶ *Goodyear Tire & Rubber Co. v. Robertson*⁷ involved an application for trademark registration of certain diamond-shaped blocks imprinted on tires and packages. Registration was denied principally on other grounds; but the court noted that plaintiff was the owner of two design patents, and said, "nor . . . can a trademark be used to perform the function of a design patent."⁸ This implied that the plaintiff would not be able to use a trademark to perpetuate any rights he held under the design patent.

An important restriction, however, on the right of duplication is found in *Centaur Co. v. Neathery*.⁹ There the plaintiff was the manufacturer of a children's laxative and had used a distinct wrapper for twenty years. Defendant began to use labels that closely approximated those of the plaintiff. The court held that even though the manufacture of the product is free to the public at the expiration of the patent, the defendant could not package his goods in such a way as to deceive a purchaser into thinking he was buying the plaintiff's product. Thus, even without trademark regulation, there is some protection afforded a manufacturer who has identified his goods in a distinctive manner. Additional protection in the form of trademark protection was given in *Ex parte Caron Corp.*,¹⁰ where registration on the supplemental register was granted to the subject of an *expired* design patent. The trend towards greater protection was brought one step further by *In re Pepsi-Cola*.¹¹ In this case the plaintiff was the holder of an *existing* design patent and was able to gain a supplemental registration. This case differs from *Mogen David* only in regard to the type of registration. For the point at issue, the most important difference between the two registers is that registration on the principal register affords the applicant the right to exclusive use of the specified design,¹² while the supplemental register

⁶ *Scott Paper Co. v. Marcalus Mfg. Co.*, 326 U.S. 249 (1945); *Walworth Co. v. Moore Drop Forging Co.*, 19 F.2d 496 (1st Cir. 1927); *Goodyear Tire & Rubber Co. v. Robertson*, 18 F.2d 639 (D. Md. 1927), *aff'd*, 25 F.2d 833 (4th Cir. 1928); *Ex parte Minnesota Mining & Mfg. Co.*, 92 U.S.P.Q. 74 (Com. Pats. 1952).

⁷ *Goodyear Tire & Rubber Co. v. Robertson*, *supra* note 6.

⁸ *Id.* at 641.

⁹ 91 Fed. 891 (5th Cir. 1898).

¹⁰ 100 U.S.P.Q. 356 (Com. Pats. 1954).

¹¹ 120 U.S.P.Q. 468 (T.T.A.B. 1959).

¹² 60 Stat. 436 (1946), 15 U.S.C. § 1094 (1958):

The provisions of this chapter shall govern so far as applicable applications for registration and registrations on the supplemental register as well as those on the principal register, but applications for and registrations on the supplemental register shall not be subject to or receive the advantages of sections . . . 1057(b) . . . of this title.

64 Stat. 459 (1950), 15 U.S.C. § 1057(b) (1958):

A certificate of registration of a mark upon the principal register provided by this chapter shall be prima facie evidence of the validity of the registration, registrant's ownership of the mark, and of registrant's exclusive right to use the mark in commerce in connection with the goods or services specified in the certificate, subject to any conditions and limitations stated therein.

See *Elcon Mfg. Co. v. Elcon Mfg. Co.*, 132 F. Supp. 769 (E.D.N.Y. 1955).

serves primarily to form a basis for foreign registration.¹³ Thus the next logical step was taken in the *Mogen David* case, when the court granted principal registration for the subject of an existing design patent. The examination below leads to the conclusion that this is the correct result.

An analysis of the pertinent statute indicates that registration should not be denied because of an already existing design patent. The statute states:

(f) Except as expressly excluded in paragraphs (a)-(d) of this section, nothing in this chapter shall prevent the registration of a mark used by the applicant which has become distinctive of applicant's goods in commerce.¹⁴

Paragraphs (a)-(d) are concerned principally with such objections as immorality of the subject matter, connection with persons living or dead, similarity to governmental insignia, and previous trademarks.¹⁵ These paragraphs in no way exclude an article from registration because it is already the subject of a design patent. Moreover, by so specifying the objections to the granting of registration, it is submitted that Congress intended this to be a complete list of objections and therefore did not intend that the existence of a design patent should preclude registration.

The strongest objection to principal registration is that it would have the effect of "extending" the patent monopoly and thus violate the right of the public to use the patented article.¹⁶ However, a careful analysis will show that the patent monopoly is not extended since the rights of patent protection are distinct from those of trademark protection and are guaranteed by different laws. Patent laws, in general, prevent a party from making, using, or selling any patented invention.¹⁷ Moreover, in relation to a design patent,

¹³ Martens, Trademark Registration of Patented Articles—Extension of Monopoly?, 7 Patent, Trade-mark, and Copyright J. of Research & Education 474 (1963).

¹⁴ 60 Stat. 428 (1946), 15 U.S.C. § 1052(f) (1958).

¹⁵ 60 Stat. 428 (1946), 15 U.S.C. § 1052 (1958):

No trade-mark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it—

(a) Consists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt, or disrepute.

(b) Consists of or comprises the flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation, or any simulation thereof.

(c) Consists of or comprises a name, portrait, or signature identifying a particular living individual except by his written consent, or the name, signature, or portrait of a deceased President of the United States during the life of his widow, if any, except by the written consent of the widow.

76 Stat. 769 (1962), 15 U.S.C. § 1052(d) (Supp. V, 1963):

(d) Consists of or comprises a mark which so resembles a mark registered in the Patent Office or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when applied to the goods of the applicant, to cause confusion, or to cause mistake, or to deceive. . . .

¹⁶ Singer Mfg. Co. v. June Mfg. Co., supra note 4.

¹⁷ 35 U.S.C. § 271(a) (1958):

(a) Except as otherwise provided in this title, whoever without authority

additional protection is granted in that no one may apply the patented design or an imitation of it to any article of manufacture in order to sell the article, nor can anyone sell an article to which the design has been applied.¹⁸ On the other hand, trademark rights are governed by a different statute which provides that no one may use in commerce any reproduction or imitation of the registered mark in connection with the sale of any goods or services which would be likely to cause confusion with the goods or services of the registrant.¹⁹ These statutes operate independently, and contain no indication that Congress intended one to displace the other in areas to which both can apply.

The rights which Congress purports to protect under the patent and trademark statutes are separate and distinct.²⁰ Patent laws were passed to encourage inventiveness and stimulate technological advances by providing the reward of exclusive use under the patent.²¹ They grant an effective monopoly to the inventors by preventing the copying of the article itself,²² regardless of how it is labelled. Trademark laws, on the other hand, are not concerned with the copying of the article itself as long as the label or package of the article will not deceive or confuse the public as to its origin.²³ Once a manufacturer has connected his product with a distinctive mark or package in the minds of consumers, registration of his trademark prohibits others from palming off their own products under his mark or package.²⁴

makes, uses or sells any patented invention, within the United States during the term of the patent therefor, infringes the patent.

¹⁸ 35 U.S.C. § 289 (1958):

Whoever during the term of a patent for a design without license of the owner, (1) applies the patented design, or any colorable imitation thereof, to any article of manufacture for the purpose of sale, or (2) sells or exposes for sale any article of manufacture to which such design or colorable imitation has been applied shall be liable. . . .

¹⁹ 76 Stat. 773 (1952), 15 U.S.C. § 1114 (Supp. V, 1963):

(1) Any person who shall, without the consent of the registrant—

(a) use in commerce any reproduction, counterfeit, copy, or colorable imitation of a registered mark in connection with the sale, offering for sale, distribution, or advertising of any goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive; or

(b) reproduce, counterfeit, copy, or colorably imitate a registered mark and apply such reproduction, counterfeit, copy, or colorable imitation to labels, signs, prints, packages, wrappers, receptacles or advertisements intended to be used in commerce upon or in connection with the sale, offering for sale, distribution, or advertising of goods or services on or in connection with which such use is likely to cause confusion, or to cause mistake, or to deceive,

shall be liable. . . .

²⁰ 35 U.S.C. § 271(a) (1958); 35 U.S.C. § 289 (1958); 76 Stat. 773 (1952), 15 U.S.C. § 1114 (Supp. V, 1963). These statutes are set out above in notes 17, 18, and 19.

²¹ See *Ex parte Caron Corp.*, *supra* note 10.

²² See Wehringer, *Two For One: Trademark and Design Patents*, 50 *Trademark Rep.* 1158 (1960).

²³ *Ibid.*

²⁴ 76 Stat. 773 (1952), 15 U.S.C. § 1114 (Supp. V, 1963). This statute is set out above in note 19.

They may duplicate the unpatented product, but they may not use the registered trademark to deceive the public as to who manufactured it.²⁵

In the case of a design, such as the shape of a wine bottle, these distinct rights are apt to be confused. A design patent prevents copying the shape of the bottle because of its inventiveness.²⁶ Trademark registration prevents the same type of copying²⁷ but for the unrelated purpose of preventing confusion as to origin.²⁸ The rights and purposes are distinct,²⁹ but, coincidentally, the restrictions on copying are effectively the same. It is this coincidence that has led courts in earlier cases to consider trademark protection an *extension* of patent protection.³⁰ This viewpoint is erroneous, however, since each of the two rights is valid and independent of the other. Each deserves the protection that Congress intended to afford it.

Some concern has been voiced that the decision in this case might not stand in view of two recent decisions of the Supreme Court.³¹ These decisions are *Sears, Roebuck & Co. v. Stiffel Co.*,³² and *Compco Corp. v. Day-Brite Lighting, Inc.*³³ Since the cases are strikingly similar, they will be considered together. In both cases the plaintiff held a design patent on certain fixtures—a pole lamp in *Sears* and a lighting fixture in *Compco*. The defendants produced closely similar products. In actions for patent infringement and unfair competition, the district court in both cases held the patents invalid but found the defendants guilty of unfair competition. The Court of Appeals affirmed.³⁴ The Supreme Court, however, reversed and held that federal laws on patents have occupied the field, and that a state cannot make a law that clashes with the federal patent policy of allowing the public to copy freely any unpatented article.³⁵ In the *Compco* case, the Court went so far as to say that even though the article had acquired a secondary meaning, “if the design is not entitled to a design patent or other federal statutory protection, then it can be copied at will.”³⁶ It is submitted that the *Sears* and *Compco* cases will not affect the present holding. The Court in those cases was primarily concerned with a problem of federalism. Federal law must take precedence over state law in this area. This problem, however, is not present in the instant case since the trademark registration that is

²⁵ See *William H. Keller, Inc. v. Chicago Pneumatic Tool Co.*, 298 Fed. 52 (7th Cir. 1923), cert. denied, 265 U.S. 593 (1924).

²⁶ See *Ex parte Caron Corp.*, supra note 10.

²⁷ 76 Stat. 773 (1952), 15 U.S.C. § 1114 (Supp. V, 1963). This statute is set out above in note 19.

²⁸ See *Ex parte Caron Corp.*, supra note 10.

²⁹ *Ibid.*

³⁰ E.g., *Walworth Co. v. Moore Drop Forging Co.*, supra note 6; *Ex parte Minnesota Mining & Mfg. Co.*, supra note 6.

³¹ *Derenberg*, *The Seventeenth Year of Administration of the Lanham Trademark Act of 1946*, Vol. 142, No. 6 Patent, Trademark, & Copyright Weekly Reports 3 (1964).

³² 376 U.S. 225 (1964).

³³ 376 U.S. 234 (1964).

³⁴ *Stiffel Co. v. Sears, Roebuck & Co.*, 313 F.2d 115 (7th Cir. 1963); *Day-Brite Lighting, Inc. v. Compco Corp.*, 311 F.2d 26 (7th Cir. 1963).

³⁵ *Sears, Roebuck & Co. v. Stiffel Co.*, supra note 32; *Compco Corp. v. Day-Brite Lighting, Inc.*, supra note 33.

³⁶ *Compco Corp. v. Day-Brite Lighting, Inc.*, supra note 33, at 238.

sought is merely another form of federal protection. Also, it is submitted that the Court in the *Sears* and *Compco* cases did not intend to assert that trademark protection was contrary to federal patent policy. In the *Compco* case the Court said that if the design were not entitled to "other federal statutory protection,"³⁷ it could be copied. This implies that federal trademark protection would be permissible and would validly prevent the copying of the article.

In conclusion, this case is the culmination of a prevailing trend toward extending trademark protection. The result reached here is in perfect conformity with the relevant statutes and is based on a critical distinction between patent and trademark protection. Moreover, rehearing for this case has been denied,³⁸ and therefore this holding will undoubtedly be the continuing view.

JAMES P. DOHONEY

³⁷ Ibid.

³⁸ Application of Mogen David Wine Corp., — C.C.P.A. (Patents) —, — F.2d — (1964).